



ACATIS FAIR VALUE SPECIAL

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Focus on children's rights

Should the agenda of sustainability-oriented investors also include promoting a liveable future for children and protecting their special rights? When it comes to companies, children as consumers, as workers, community members and relatives of employees represent an important stakeholder group that is also directly affected by their business activities. But just as companies should view the protection of fundamental children's rights an obligation (which is not yet the case), sustainable investors likewise must consider the protection of these rights and take them in to account in investment decisions.

The products and business processes of companies listed in sustainability funds should put as little pressure as possible on the environment and the climate, and they should also make a contribution towards achieving the global sustainability goals. At the same time, companies engaged in controversial business activities, such as the manufacture of controversial weapons or conventional armaments, the production of nuclear power and the production/distribution of pornographic contents, are excluded. Moreover, companies are not allowed to breach recognised international sustainability standards or norms, such as the principles of the UN Global Compact or the ILO core labour norms.

Another relevant aspect is the avoidance and prevention of child labour in companies that operate in emerging and developing economies - not just at their own production locations but also in the supply chain. To be sure, implementation deficits or suspicious activities do not affect all industries and companies equally. For

example, higher-than-average violations can be observed in companies in the textile industry, at mining companies but also at toy manufacturers.

ACATIS Fair Value has addressed this aspect for all investments in the obligatory sustainability filter. The norm-based screening process - i.e. the exclusion of companies that breach the relevant international sustainability norms/standards - includes a particularly strict filter for the aspects "Elimination of Child Labour and Forced Labour" and "Social Standards in the Supply Chain". In this way, all cases of child and forced labour can be excluded - in the company and in the supply chain.

As a result, with respect to ACATIS Fair Value the question asked at the beginning can be answered with a resounding "YES".

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